

### Overview

The mission of the Department of Defense (DoD) is to defend the United States and provide for the security of the American people. In times of peace, the Department fulfills this mission by anticipating threats and challenges to the Nation's security. The military trains and equips the forces needed to deter aggression and advance U.S. interests around the globe. In times of war, the goal is victory over our adversaries. Since 2001, the Department has been engaged in developing the forces and capabilities that the Nation needs to meet the threats and challenges of the 21st century; at the forefront of these challenges is fighting the Global War on Terror (GWOT).

### THE DEPARTMENT'S MISSION

The Department fulfills its mission by following the guidance of the President's National Security Strategy (NSS) and, in turn, the National Defense Strategy (NDS). The NSS describes an approach to U.S. defense based on two pillars: 1) promoting freedom, justice, and human dignity by working to end tyranny, promote effective democracies, and extend prosperity; and 2) confronting the challenges of our time by leading a growing community of democracies. The NSS identifies nine tasks for the national security community, and the Department plays a critical role in four of these tasks:

- Strengthening alliances to defeat global terrorism and working to prevent attacks against the U.S., our Allies, and our friends;
- Working with others to defuse regional conflicts, including conflict intervention;
- Preventing our enemies from threatening the U.S., our Allies, and our friends with weapons of mass destruction; and
- Transforming America's national security institutions to meet the challenges and opportunities of the 21st century.



A U.S. Army Soldier runs under a CH-47 Chinook helicopter while hooking up equipment during an airlift mission at Forward Operating Base Fenty in Jalalabad, Afghanistan

U.S. Army photo by Sgt. Brandon Aird – December 2007

The Department also contributes to achieving five additional goals:

- Championing aspirations for human dignity, including ending tyranny and promoting effective democracy;
- Igniting a new era of global economic growth through free markets and free trade;

## DoD FY 2009 Budget Request Summary Justification

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- Expanding the circle of development by opening societies and building the infrastructure of democracy;
- Developing agendas for cooperative action with other main centers of global power; and
- Engaging the opportunities and confronting the challenges of globalization.

These tasks translate into several mission areas for the Department in support of a common goal: protecting American lives and U.S. interests. The attacks of September 11, 2001 and subsequent events have awakened the Nation and the Department to the need for new modes of thinking and active measures to detect, disrupt, and respond to potential attacks, whether from terrorist groups, adversary states, or cyber attackers.

The preeminent struggle of our time is the global effort to defeat violent extremism. For our sake and that of future generations, the Nation must prevail in the Global War on Terror. The central fronts in the GWOT remain Iraq and Afghanistan. Since 2001, over one million Service members have been deployed in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). The U.S. and its Coalition partners in the GWOT remain committed to establishing a stable, democratic, and secure Iraq and Afghanistan. Both countries are allies in the GWOT, and the U.S. will assist each nation to provide for its own security.

In Iraq and Afghanistan, Coalition forces continue to work alongside Iraqi and Afghan security forces to provide security for their people and the relief from violence needed to advance political reconciliation and economic improvements. The Department continues to help organize, train, equip, and sustain the Iraqi and Afghan National Armies and Police, as these nations develop the capacity to provide for their own security and stability and establish the rule of law. In other regions

around the world, the U.S. is working with partner countries to defeat terrorist cells, build local capacity, and eliminate terrorist safe-havens. That work has yielded results in diverse areas including the Philippines, Pakistan, Lebanon, the Horn of Africa, and the Trans-Sahel.

In addition to prosecuting the current fight and institutionalizing the lessons learned from irregular conflicts, the Department must ensure that the U.S. can respond to state-based aggression by maintaining the ability to prosecute complex campaigns, including the use of conventional military capabilities. In addition to the personnel currently engaged in Iraq and Afghanistan, thousands more are stationed throughout the world ensuring security, deterring aggression, assisting partner nations, and at the ready to respond to crises and disasters.

In concert with U.S. Allies and partners, the Department deters conflict and promotes security, which is fundamental to peace and economic growth. During the Cold War, stability was the product of a balance of power between two superpowers with thousands of nuclear weapons. Since the end of the Cold War, the dampening effect of the superpowers on instability has lifted, and conflicts based on religion, ethnic strife, and power politics have expanded. The new security environment requires a multi-faceted and multi-dimensional approach to deterring conflict and coercion that relies on all instruments of national power. The focus of this volume will be on the military element of national power.

### THE DEPARTMENT'S ACCOMPLISHMENTS

Since 2001, the Department has made remarkable progress in advancing these missions and pursuing a multi-dimensional approach. It has:

- Removed two brutal regimes, reduced terrorist safe havens,

## DoD FY 2009 Budget Request Summary Justification

and captured or killed terrorists who threatened the U.S., the American people, and our interests around the globe;

- Adapted effectively to evolving, asymmetric threats, improved our ability to conduct counter-insurgency operations, and maintained our effectiveness in more traditional warfighting tasks;
- Developed a new National Defense Strategy and established or reorganized four Combatant Commands to lead the GWOT, transform the military, protect the homeland, defend against long-range attack, and engage in Africa;
- Launched the most significant transformation of the Army in a generation, transitioning from a Division-based Army to more lethal, agile, and capable Brigade Combat Teams;
- Provided battlefield commanders with unprecedented situational awareness through the development of the Global Information Grid – a net-centric information infrastructure that enables rapid data processing and analysis;
- Fielded a broad range of unmanned aerial vehicles that perform reconnaissance, strike, and force protection activities, transforming the way U.S. forces fight;
- Developed and procured new technologies that detect, disarm, destroy, and protect against improvised explosive devices;
- Transformed America's global defense posture, enabling forces to deploy quickly in times of crisis and ensuring a new global military presence prepared for 21st century challenges;
- Continued to maintain and sustain an initial Missile Defense system to protect the U.S., our Allies, friends, and deployed forces against attack;
- Delivered aid to millions affected by natural disasters, at home and abroad;
- Converted over 31,000 military positions to civilian positions to relieve strain on the military force and ensure all military personnel are performing "military essential" activities;
- Transformed its financial management into a high-performing enterprise program that delivers critical information to decision-makers and warfighters to achieve mission success;



U.S. Navy Capt. John B. Nowell Jr., Commodore of Africa Partnership Station (APS), along with the international APS staff, congratulates Ghanaian Navy Petty Officer 1st Class Bennet Botchway Obro after completion of leadership training from Expeditionary Training Team, in Tema, Ghana. APS is scheduled to bring international training teams to Senegal, Liberia, Ghana, Cameroon, Gabon, and Sao Tome and Principe, and will support more than 20 humanitarian assistance projects in addition to hosting information exchanges and training with partner nations during its seven-month deployment.

U.S. Navy photo by Mass Communication Specialist 2nd Class R.J. Strachko – November 2007

## DoD FY 2009 Budget Request Summary Justification

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- Established the National Security Personnel System, now serving 130,000 civilian employees, to create a flexible and responsive 21st century national security workforce; and
- Eliminated, via privatization or military construction, over 90 percent of all inadequate domestic military family housing units By end of Fiscal Year (FY) 2009, the Department will eliminate all inadequate family housing in the U.S.

### THE DEPARTMENT'S PRIORITIES

Today's strategic environment is defined by a struggle between the civilized world and extremist terrorist networks. However, other challenges remain and are growing. These threats include the proliferation of irregular challenges, rogue states' quest for nuclear weapons, and the rise of regional military powers. The FY 2009 President's Budget provides the resources necessary to address today's challenges and anticipate future threats by funding the following priorities:

- Prevail in the Global War on Terror;
- Increase Ground Combat Capability;
- Improve Force Readiness;
- Develop Future Combat Capabilities; and
- Improve Quality of Life for Service Members and Families.

#### Prevail in the Global War on Terror

To ensure freedom and security and advance peace and stability throughout the world, the U.S must succeed in Iraq and Afghanistan and work with Allies and partners to prevail in the ongoing struggle. Military success in the GWOT requires a wide range of capabilities including: a highly trained, mobile, agile fighting force that is well-versed in counterinsurgency operations; financial flexibility through programs like the Commander's Emergency Response Program; airlift and global

reach; sophisticated targeting, tracking, and locating capabilities; the ability to acquire and rapidly field appropriate technologies; and state of the art force protection equipment. The U.S. will enjoy an even higher likelihood of success if our partners are able to defend themselves, deny terrorist sanctuary within their borders, and participate in coalitions. The Department is committed to developing these capabilities and providing the warfighter the right resources whenever and wherever they are needed.

#### Increase Ground Combat Capability

Recognizing that threats to U.S. security exist beyond the war on terror in Iraq and Afghanistan, the U.S. military must be structured to meet current and projected needs. At the direction of the President, the Department is increasing the size of the Army and Marine Corps. This enhancement to ground forces will increase the Nation's combat capability and significantly increase the amount of time that Soldiers and Marines can spend at home with their families between deployments. The growth in the Army and Marine Corps is a continuation of the "Grow the Force" initiative first funded in the FY 2007 budget.

#### Improve Force Readiness

To ensure warfighting capability is ready when the Nation calls, the Department will sustain and improve force readiness. Equipment is central to maintaining U.S. military warfighting capabilities. The Department must ensure force readiness by rapidly repairing or replacing this equipment and providing critical equipment and technology for future deploying forces. In addition to being properly equipped, the Department must maintain operational readiness of our forces through increased recruitment, retention, and training efforts and position those personnel so that they are ready to respond to unexpected contingencies.



## DoD FY 2009 Budget Request Summary Justification

### Develop Future Combat Capabilities

The Department must be ready to meet future threats from land, sea, air, or space and to address new realms of conflict, such as cyberspace. To ensure its ability to respond to state-sponsored or other aggression, the U.S. must continue strategic modernization to maintain its significant advantages in conventional war capabilities and work to prevent adversaries from acquiring or using weapons of mass destruction, particularly nuclear weapons. Through research and development, the Department must identify new technologies to ensure its comparative advantage.

### Improve Quality of Life for Service Members and Families

The Active, Guard, and Reserve components of our military forces are critical to the Department's ability to meet military objectives. Success in everything we do depends upon the dedication and skill of the men and women who willingly sacrifice their own comfort and safety to safeguard the freedom Americans enjoy every day. The Department is focused on recruiting, training, educating, supporting, and retaining the finest military force in the world. The Department's focus on people includes: 1) sustaining an all-volunteer force with more predictable deployment schedules and the high quality benefits that they deserve; 2) ensuring an appropriate mix of personnel for the mission; 3) rewarding civil service performance through the National Security Personnel System and new Senior Executive Service system; and 4) implementing programs that will bring the best possible care and medical facilities to our wounded warriors.

### SUMMARY

The Department operates in a complex environment with multiple crosscutting missions. In spite of the challenges this presents and six years of continuous operations in support of the Global War on Terror, the Department's Soldiers, Sailors, Marines, Airmen, and civilians have accomplished a great deal to advance the security of our Nation and that of our Allies and friends. The FY 2009 President's Budget funds critical capabilities that will enable the Department and the U.S. to prevail in the current conflict, while preparing for future contingencies.



# **JUSTIFICATION**

## DoD FY 2009 Budget Request Summary Justification

### Justification

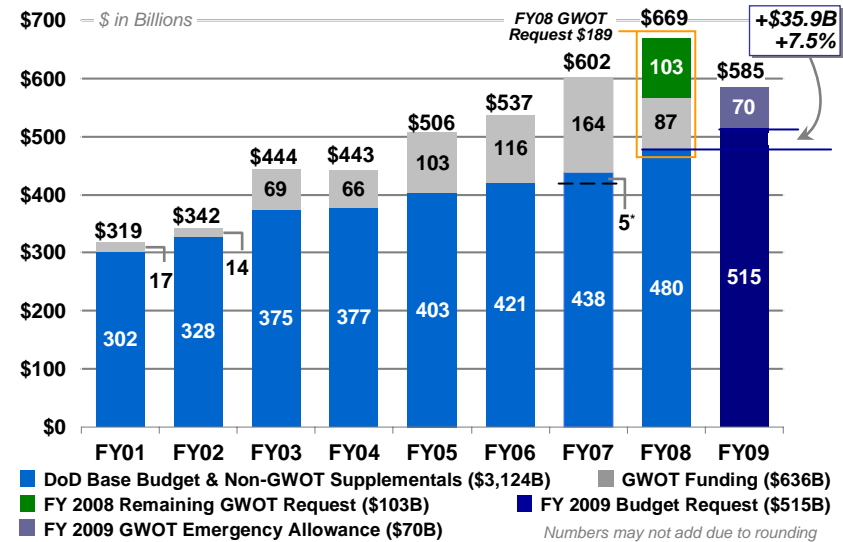
The FY 2009 President's Budget requests \$515.4 billion for the Department of Defense. This is a \$35.9 billion increase over the FY 2008 appropriated level, a 7.5 percent nominal increase in funding (5.4 percent real growth) (Figure 1.1). The Department's request is 3.4 percent of projected U.S. Gross Domestic Product (GDP), one of the lowest levels of funding for any comparable period of conflict (Figure 1.2). The Department's request funds non-GWOT costs associated with the U.S. Army, Navy, Marine Corps, and Air Force. It supports the activities of the 10 Combatant Commands (including the recently established Africa Command), the majority of funding for the U.S. Intelligence Community, and the Department's 33 agencies, field activities, and specialized offices. (All numbers in this volume are budget authority unless otherwise indicated and do not include emergency supplemental appropriations).

In addition to the \$515.4 billion request, the Administration requests \$70 billion for an emergency allowance for the Global War on Terror. Details will be provided to Congress once the specific needs of our troops on the ground are better known.

Since September 11, 2001, Congress has appropriated \$636 billion for the GWOT. This funding provides for the incremental costs for military and intelligence operations, force protection, training, overseas facilities and base support, communications, transportation, maintenance, supplies, weapons and equipment refurbishment or replacement, and other essentials. The funds also support deployed personnel with special pay and benefits, food, medical and other services, and training and equipping of Iraqi and Afghan security forces.

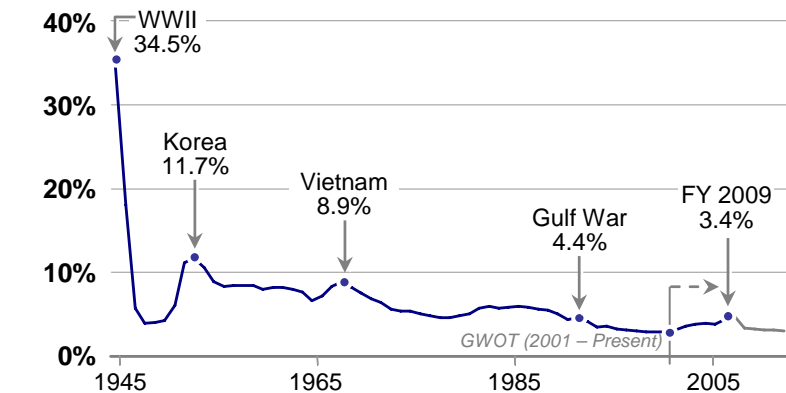
In FY 2008, Congress appropriated \$86.8 billion or 46 percent of the President's \$189.3 billion request for GWOT. Congress has not yet appropriated the remaining balance – \$102.5 billion – requested for U.S. forces in combat (Figure 1.3). These additional funds are required to pay our military, continue

**Figure 1.1 Historical Budget and GWOT Funding**



\*FY08 base figure includes \$5 billion for Non-GWOT activities appropriated in supplementals  
 Source: Defense Appropriation Acts FY 2001 – FY 2008; FY 2009 Budget Request; FY 2008 GWOT Request and Amendments; National Defense Budget Estimates for FY 2008  
 106-14

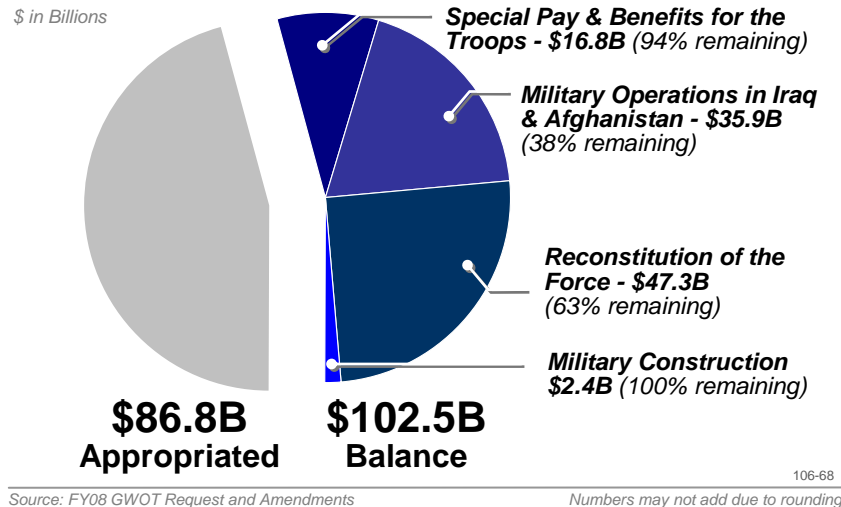
**Figure 1.2 Defense Outlays as a Percentage of GDP in Times of War**



Source: Historical Tables, Budget of the US Government FY 2008; FY 2009 Budget Request  
 Notes: FY 2008 and beyond use President's Budget request rather than outlays;  
 FY 2009 figure does not include GWOT funding  
 106-63

## DoD FY 2009 Budget Request Summary Justification

**Figure 1.3 FY 2008 GWOT Request - \$189.3B**



operations in Iraq and Afghanistan, reconstitute our force, provide for protection for our troops, and fund the Iraq and Afghan security forces.

### A CHALLENGING ECONOMIC ENVIRONMENT

As the world's largest unified global enterprise, the Department and its funding are directly affected by the U.S. and world economies. External economic factors such as inflation, fuel costs, and currency fluctuations diminish the value of appropriated funds and strain military readiness. Internal fiscal trends, such as the rising cost of healthcare, contribute to the economic challenges facing the Department.

- **Inflation.** While inflation throughout the last decade has been relatively low, escalation of purchase price inflation affects the Department's overall purchasing power. Approximately \$10.0 billion – about 2 percent of the Department's \$515.4 billion request – can be attributed to inflation.

- **Fuel Cost Increases.** The Department is one of the world's largest purchasers of fuel. It feels the impact of rising crude oil prices, which have more than tripled in the past four years. The Department's FY 2008 projected fuel cost is \$15.1 billion for 122 million barrels, including refinement costs. The FY 2009 budget request projects fuel cost of \$14.1 billion for a comparable number of barrels of fuel as in FY 2008. While FY 2009 fuel prices are forecasted to be lower than FY 2008 prices, they are still significantly higher than last year's projections for FY 2009 of approximately \$67.60 per barrel.
- **Currency Fluctuations.** The Department is a global organization with a foreign currency exposure of \$5.9 billion. This includes funding for payrolls, housing, and operations in nine different foreign currencies. The impact of currency fluctuation has been negative in recent years due to the relatively weak value of the dollar. This will increase the cost of foreign operations by \$238 million in FY 2009.
- **Military Healthcare.** The Department remains concerned with the cost of providing healthcare. Healthcare funding included in the FY 2009 budget request is \$41.6 billion. Projections indicate that military healthcare costs will increase by 5 to 7 percent per year through FY 2013 if no changes are made to the current healthcare program fee and benefit structure. This continued growth is largely due to:
  - Increasing use of the healthcare benefit by eligible beneficiaries who previously elected not to use it;
  - Healthcare inflation and higher utilization of healthcare services; and
  - Expanded benefits authorized by Congress, such as TRICARE for Reservists.

As these costs increase, more of the Department's budget is likely to be spent on healthcare and less on warfighting capabilities and readiness.



## DoD FY 2009 Budget Request Summary Justification

### GLOBAL DEFENSE POSTURE

In addition to being shaped by the economic environment, the FY 2009 budget request was also informed by the strategic position of U.S. forces. The Department continues to realign U.S. global defense posture to better contend with post 9-11 security challenges by transforming overseas legacy forces, Cold War basing structures, and host-nation relationships into a flexible, forward network of capabilities with Allies and partners. These efforts include:

- Continued force posture realignments within and from Central Europe which enable advanced training and lighter, more flexible ground capabilities to support NATO's own transformation goals;
- Shifting our European posture south and east by transforming the 173rd Airborne Brigade in Italy and establishing a headquarters and infrastructure support for rotational presence in Romania and Bulgaria;
- Setting conditions for future realignments in the Pacific as part of U.S.-Japan force posture changes that will have far-reaching, beneficial impacts for the alliance;
- Continued consolidation and reduction of forces on the Korean peninsula to strengthen our overall military effectiveness for the combined defense of the Republic of Korea;
- Developing base infrastructure for new deterrent and other capabilities in Guam, Hawaii, and Alaska; and
- Developing basic infrastructure and capabilities for current and future operations in the Central Command (CENTCOM) area of responsibility and GWOT operating regions.

The Department continues to maintain strong host-nation support for these posture changes. We must also build and strengthen the military and security capabilities of these and other global partners to increase the effectiveness of U.S. forces and provide a formidable combination of actual and potential power.

### Key Facts

FY 2009 Budget (\$ in billions)	FY08	FY09	△	△%
Military Pay & Healthcare	140.4	149.4	+9.0	+6.4%
Ops, Readiness & Support	143.4	158.3	+14.9	+10.4%
Strategic Modernization	175.5	183.8	+8.3	+4.7%
Family Housing & Facilities	20.2	23.9	+3.7	+18.5%
<b>Total Request by Category</b>	<b>479.5</b>	<b>515.4</b>	<b>+35.9</b>	<b>+7.5%</b>

Department of the Army	128.4	140.7	+12.3	+9.6%
Department of the Navy	139.1	149.3	+10.2	+7.3%
Department of the Air Force	134.3	143.9	+9.6	+7.1%
Defense-Wide Agencies	77.7	81.6	+3.9	+5.1%
<b>Total Request by Component</b>	<b>479.5</b>	<b>515.4</b>	<b>+35.9</b>	<b>+7.5%</b>

New Initiatives (\$ in billions)	FY08	FY09	△	△%
AFRICOM*	0.1	0.4	+0.3	—
Building Partnership Capacity	—	0.8	+0.8	—
BMD – European Site	—	0.3	+0.3	—
Nat'l Cybersecurity Initiative		Classified		
<b>Total Initiatives (excluding Classified)</b>	<b>—</b>	<b>1.5</b>	<b>+1.4</b>	<b>—</b>

Budget Savings (\$ in billions)	FY08	FY09	△	△%
Aircraft Retirement	—	-0.5	-0.5	—
Healthcare Fees	—	-1.2	-1.2	—
<b>Total Savings</b>	<b>—</b>	<b>-1.7</b>	<b>-1.7</b>	<b>—</b>

Personnel Levels** (in thousands)	FY08	FY09	△	△%
Soldiers	1,075.0	1,090.0	+15.0	+1.4%
Sailors	395.4	392.0	-3.4	-0.9%
Marines	228.6	233.6	+5.0	+2.2%
Airmen	502.8	490.7	-12.1	-2.4%
Subtotal Military Personnel	2,201.8	2,206.3	+4.5	+0.2%
Civilians	708.9	713.9	+5.0	+0.7%
<b>Total Personnel</b>	<b>2,910.7</b>	<b>2,920.2</b>	<b>+9.5</b>	<b>+0.3%</b>

Source: FY 2008 Defense Appropriation Act, FY 2009 Budget Request. Does not include GWOT except the FY 2008 Army and Marine Corps Personnel levels, which include 36,000 Soldiers and 9,000 Marines, respectively, funded through GWOT. \*AFRICOM will reach full operational capabilities in FY 2009; \*\*Include Active, Guard, and Reserve Numbers may not round due to rounding

106-29

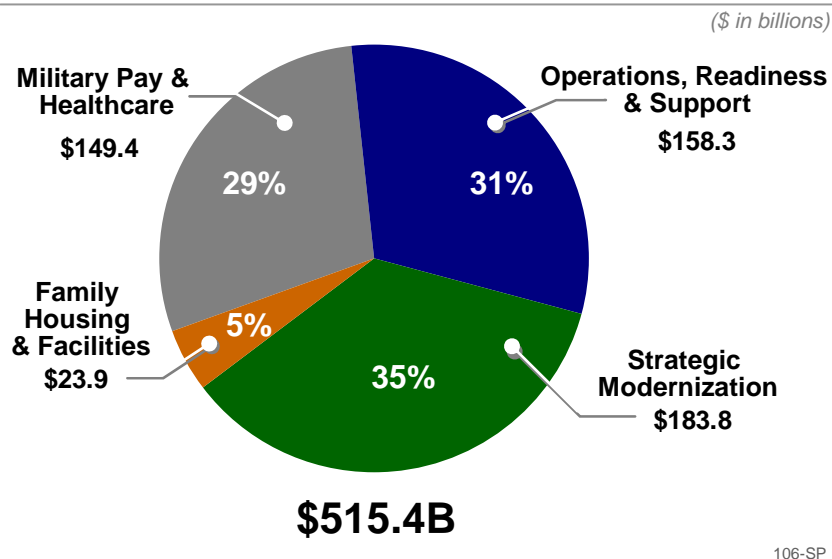
## DoD FY 2009 Budget Request Summary Justification

### BUDGET REQUEST BY FUNCTIONAL CATEGORY

Typically, the Department requests its budget by appropriation accounts. While the Department continues to present its budget detail by these accounts, this volume seeks to organize data into broader categories for the ease of the general reader. The categories tie to the traditional appropriation accounts, yet are more intuitive for the general reader. These categories will appear through this volume in each of the Department and Defense-Wide chapters. A cross-walk between appropriation accounts and categories is provided in the Resource Exhibits at the end of this volume (p. 213-4).

Accordingly, the \$515.4 billion budget request is divided into four functional categories (Figure 1.4):

**Figure 1.4 Budget by Category**



Source: FY 2009 Budget Request

Numbers may not add due to rounding  
See cross-walk on pages 213-4 for detail on how the categories tie to appropriation.

- Military Pay & Healthcare;
- Operations, Readiness & Support;
- Strategic Modernization; and
- Family Housing & Facilities.

#### **Military Pay & Healthcare (\$149.4 billion)**

Competitive compensation and world-class healthcare are essential to attract and retain the all-volunteer force. The Department requests \$149.4 billion, or 29 percent, of its FY 2009 request for military pay, benefits, and healthcare.

- **Military Pay and Benefits (\$107.8 billion):** Military pay and benefits (e.g., housing allowance) for 2.2 million Active and Reserve Soldiers, Sailors, Marines, and Airmen, including funding for increasing U.S. ground forces to strengthen the Army and Marine Corps (with the exception of healthcare benefits, included below).
- **Healthcare (\$41.6 billion):** Funds the Defense Health Program (\$23.6 billion) to sustain the best healthcare program in the world for 9.2 million eligible beneficiaries, including Medicare-eligible beneficiaries, and medical military construction and personnel.

#### **Operations, Readiness & Support (\$158.3 billion)**

The Department is sustaining critical readiness to ensure it can respond to military contingencies. The Department requests \$158.3 billion, or 31 percent, of its FY 2009 request for operations, readiness, and support.

- **Readiness (\$68.0 billion Readiness, \$33.1 billion Support Activities):** Daily military operations such as ship steaming days (45 days per quarter), tank miles (608 driven per year, up from 459 in FY 2008), and aircraft flight hours (13.9 per month for Air Force fighters, 14.5 for bombers) at a high rate of operational tempo (Figure 1.5, p. 14).

## DoD FY 2009 Budget Request Summary Justification

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- **Base Operations and Facility Maintenance** (\$32.6 billion): Basic operation and maintenance of bases worldwide. Facility sustainment is budgeted at 90 percent.
- **Equipment Maintenance** (\$11.8 billion): Increased maintenance of equipment at 75 percent of depot maintenance requirements. Also funds the transition of systems from development to fielded systems.
- **Training, Recruiting, and Retention** (\$10.7 billion): Full spectrum training, combat training center rotations, and recruiting and retention efforts to maintain combat readiness, and attract and retain Service members possessing critical skills.
- **Revolving Funds for Ongoing Operations** (\$2.2 billion): Funding is required in revolving funds for war reserves (\$0.2 billion), commissary operations (\$1.3 billion), vessel investments and expenses through the National Defense Sealift Fund (\$2.0 billion), and a net transfer from the National Defense Stockpile Fund to the Defense Health Program (-\$1.3 billion).

### **Strategic Modernization** (\$183.8 billion)

Maintaining our technological edge today is central to military superiority in the future. The Department requests \$183.8 billion, or 35 percent, of its FY 2009 request for strategic modernization, which includes procurement and research and development.

- **Aircraft** (\$45.6 billion): The FY 2009 request continues the implementation of the Administration's long-term tactical aircraft acquisition plan and advances development and procurement of three advanced tactical aircraft: 1) Air Force F-22 Raptor; 2) F-35 Joint Strike Fighter (JSF); and 3) Navy F/A-18E/F Super Hornet. The budget supports procurement of aircraft including the Navy EA-18G Growler, the modernization of the A-10 Thunderbolt, tactical and strategic aircraft, and the new air refueling tanker.
- **Communications and Mission Support Systems** (\$68.5 billion): Our air, sea, and land systems need to be able to communicate securely and effectively, necessitating the continued development of Command, Control, Communications, Computers, and Intelligence (C4I) systems, including the Joint Tactical Radio System. Funding for mission support equipment, which includes items such as night vision goggles and howitzers, sustains critical technologies that enable an effective military force and a high state of readiness.
- **Ground Vehicle** (\$9.2 billion): Ground capabilities – including tanks, personnel carriers, armored vehicles, and trucks – and support equipment are fully supported in the FY 2009 budget. Key initiatives include development of the Army's Future Combat Systems, upgrades to the Abrams and Stryker weapon systems, and armored High Mobility Multipurpose Wheeled Vehicles (HMMWVs).
- **Missile Defense** (\$10.5 billion): The request continues to support the development and testing of an increasingly integrated Ballistic Missile Defense System (BMDS) (\$10.0 billion) and procurement and development of Patriot missiles (\$0.5 billion). BMDS provides protection for the U.S., our Allies, and deployed forces from attacks by ballistic missiles of all ranges in all phases of flight.
- **Munitions and Missiles** (\$11.0 billion) Funds for munitions and missiles builds tactical, strategic, and conventional weapons, ensuring the Department's ability to defend against threats and strike military targets.
- **Shipbuilding and Maritime Systems** (\$16.9 billion): The goal of the shipbuilding program is to acquire a 313-ship Navy fleet by FY 2020. In support of this program, the FY 2009 request includes procurement funding for eight ships. These include two Joint High Speed Vessels (one for

## DoD FY 2009 Budget Request Summary Justification

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the Army), one DDG 1000 Zumwalt Class Destroyer, two Littoral Combat Ships, one Virginia Class Submarine, and two Lewis and Clark Class (T-AKE) Auxiliary Dry Cargo ships, and construction of the first of the CVN-21 class.

- **Space-Based and Related Programs** (\$10.7 billion): The space program provides communications, navigation, missile warning, space situational awareness, and environmental monitoring capabilities. The FY 2009 request includes funding for the next generation early warning satellite (Space Based Infrared System), communications satellites (Advanced Extremely High Frequency (EHF), Wideband Global Satellite, Transformational Communication Satellite), and Global Positioning Satellite Block IIF and III.
- **Science and Technology** (\$11.5 billion): The Science and Technology program responds to the present day needs of the Department and warfighter, while providing the foundation for superior future capabilities. The FY 2009 request of \$11.5 billion is a 7 percent increase over the FY 2008 request, but a decrease compared to the enacted level. This year, the Department increased its investment for the Basic Research segment of Science and Technology by nearly \$0.3 billion to \$1.7 billion. As the rest of the world invests more in research, the risk of technology surprise against U.S. capabilities is increasing. The investment in Science and Technology and Basic Research, in particular, provides insurance against an uncertain future.

### **Family Housing and Facilities** (\$23.9 billion)

Caring for the warfighter, their families, and the facilities in which they work and live is essential. The Department requests \$23.9 billion, or 5 percent, to improve and maintain family housing and facilities.

- **Family Housing** (\$3.2 billion): Funds eliminate inadequate units overseas, operate and maintain government-owned housing, and privatize 12,324 family housing units.

- **Base Realignment and Closure (BRAC) Implementation** (\$9.5 billion): Includes 24 major realignments, 25 base closures, and 765 lesser actions. Funding will pay for military construction and operation and maintenance to relocate personnel and equipment, conduct environmental studies and remediation, and install communications, automation, and information management system equipment in support of construction projects.
- **Maintain Training Centers and Base Infrastructure** (\$11.2 billion): Maintenance of training centers and infrastructure, including construction in support of the Army and Marine Corps Grow the Force initiative at Forts Hood and Riley and Camp Lejeune.

### **NEW INITIATIVES FOR FY 2009**

The budget includes a number of new initiatives to increase national defense. These include:

- Establishment of Africa Command (AFRICOM);
- Building Partnership Capacity;
- Ballistic Missile Defense (BMD) European Site; and
- Comprehensive National Cybersecurity Initiative.

### **Establishment of AFRICOM** (\$0.4 billion)

This year, the Unified Command Plan was revised to establish AFRICOM. The Department requests \$0.4 billion to continue the standup of AFRICOM, which will reach Full Operational Capability (FOC) in FY 2009.

AFRICOM will strengthen U.S. security by assisting the African people with developing peace and security, through engagement that promotes their health, education, and economic growth. Unlike a traditional Combatant Command (COCOM), AFRICOM will focus on building regional security and crisis response

## DoD FY 2009 Budget Request Summary Justification

capacity and will include a significant number of representatives from other U.S. agencies within its staff, including officers from the Department of State and the U.S. Agency for International Development (USAID).

AFRICOM funding in FY 2009 would provide for:

- Operation of the AFRICOM Headquarters;
- A special operations command for the AFRICOM theater of operations;
- Operational support aircraft to provide dedicated access to one of the world's largest continents;
- Establishment of two of five proposed regional offices on the African continent;
- Training, exercises, and theater security cooperation activities; and
- An information/intelligence analysis capability to aid the Commander and assist with security.

### Building Partnership Capacity (\$0.8 billion)

Building Partnership Capacity (BPC) includes programs to build the capacity of foreign partners to counter terrorism and promote security. Congress provided \$0.3 billion of \$0.5 billion requested in the FY 2008 budget in the FY 2008 GWOT appropriation. The Department is requesting \$0.8 billion in the FY 2009 budget for a variety of BPC programs to:

- Reduce stress on U.S. forces by helping partners to solve problems before they become crises;
- Multiply the global force by allowing partners to manage their own security problems; and
- Improve the effectiveness of U.S. forces by teaming with foreign partners that know the local language, culture, and political terrain.



The citizens of Bamna, Bangladesh, wave good-bye to the crew of a CH-46E Sea Knight helicopter after the crew delivered over 20 bundles of clothes to help aid the victims of Tropical Cyclone Sidr. The amphibious assault ship USS Kearsarge (LHD 3) and the embarked 22nd Marine Expeditionary Unit (Special Operations Capable) are conducting humanitarian assistance/ disaster relief efforts in response to the government of Bangladesh. The Department of Defense effort is part of a larger United States response coordinated by the U.S. Department of State and U.S. Agency for International Development.

*U.S. Navy photo by Mass Communication Specialist Seaman Ash Severe – November 2007*

The primary elements in this initiative are:

- **Global Train and Equip (\$0.5 billion):** Global Train and Equip programs allow Combatant Commanders and Ambassadors to train and equip foreign military forces to respond to urgent and emergent threats and opportunities to solve problems



## DoD FY 2009 Budget Request Summary Justification

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before they become crises requiring military intervention. Combatant Commanders consider this the single most important tool for the Department to shape the environment and counter terrorism outside Iraq and Afghanistan.

- **Security and Stabilization Assistance** (\$0.2 billion): This authority and funding allows the U.S. to provide assistance to partners, such as the State Department, that compliments efforts in other non-military areas to promote stability and to reduce terrorist space and influence. Assistance is often provided in the same places in which U.S. forces are operating or may be forced to operate if conditions worsened.
- **Combatant Commanders Initiative Fund (CCIF) for Urgent Humanitarian Relief and Reconstruction** (\$0.1 billion): CCIF is an authority similar to the Commander's Emergency Response Program, which allows the Department to provide funds for urgent and unanticipated humanitarian relief and reconstruction assistance, particularly in a foreign country where the armed forces are engaged in a contingency operation.

In addition to the \$0.8 billion of new BPC programs, the Department is requesting continuation of other programs that support engagement and help ensure the long-term sustainability of our capacity building initiatives, including the Regional Centers for Security Studies.

### **Ballistic Missile Defense – European Site** (\$0.3 billion)

To improve the security of U.S. forces deployed overseas and to support Allies in the region, the Department continues to realign BMDS and plans to deploy the third BMDS site in Europe.

The Department requests \$0.1 billion for Military Construction of the BMDS-European Interceptor Site. The request will fund site preparation on the missile field and provide facilities for a complete Ground-Based Mid-Course Defense System capability.

An additional \$0.1 billion is requested for Military Construction of the European Mid-Course Radar site. This would fund site preparation of the installation and mobilization of the general contractor to construct a new European radar site for operations against potential threat trajectories.

### **Comprehensive National Cybersecurity Initiative** (Multiple Departments)

The global information environment that the Department relies on for mission success is the same environment in which our Allies and adversaries operate. There is no meaningful distinction between "friendly" cyberspace and "hostile" cyberspace. Securing cyberspace will require us to not only reduce vulnerabilities by strengthening information assurance, but to put a new focus on addressing the threat posed by entities that seek to do harm to the U.S. No single U.S. Government (USG) entity can successfully address the threat; it must be a concerted effort across the Federal government.

To that end, the Administration established the Comprehensive National Cybersecurity Initiative in 2007. Spearheaded by the Department of Homeland Security (DHS), the initiative seeks to improve the security of all Federal networks through the coordinated efforts of multiple Departments and Agencies. To support the initiative, the FY 2009 budget increases funding for selected cyber security activities. The Department will play a critical role in this initiative through enhancing the security of Defense networks and by supporting other Departments and Agencies as necessary.

### **INCREASED INVESTMENTS FOR FY 2009**

**Grow the Force** (+\$8.7 billion): In FY 2009, \$20.5 billion, an increase of \$8.7 billion over enacted FY 2008 levels, will provide needed resources to Grow the Force. This funding will help to increase Army active end strength to 532,400, which includes an increase of 7,000 Soldiers over FY 2008, and increase Marine

## DoD FY 2009 Budget Request Summary Justification

Corps active end strength to 194,000, which includes an increase of 5,000 Marines over FY 2008. This growth will strengthen combat capabilities, meet global force demand, and reduce stress on our forces by increasing the amount of time between deployments.

To stand up and sustain the additional Army and Marine Corps forces, the FY 2009 request includes an additional \$4.5 billion for pay and benefits, \$2.8 billion for operations and support, and \$2.9 billion for infrastructure.

**Training and Readiness (+\$5.7 billion):** In FY 2009, \$5.7 billion will provide enhanced readiness for active forces across the Department (Figure 1.5). Measured in terms of tank miles, flying hours, and ship steaming days, readiness includes:

- An increase of \$1.1 billion for the Army to increase tank

**Figure 1.5 Readiness Metrics FY 2008-2009<sup>1</sup>**

Readiness Program	FY 2008		FY 2009		Δ 08-09	
	\$B	Metric	\$B	Metric	\$B	Metric
<b>Army<sup>2</sup></b> <i>Tank Miles/Year (&amp; Air Support)</i>	4.1	459	5.2	608	+1.1	+149
<b>Navy</b> <i>Ship Steaming Days/Qtr</i>	4.0	45	4.2	45	+0.2	–
<b>Navy</b> <i>Flying Hours/Crew/Month</i>	5.1	18.3	5.5	18.5	+0.5	+0.2
<b>Marine Corps</b> <i>Readiness, Equip. &amp; Train</i>	1.2	85%	1.4	85%	+0.2	–
<b>Air Force</b> <i>Fighter Flying Hrs/Crew/Month</i>	7.5	14.4	8.4	13.9	+0.9	-0.5
<b>Air Force</b> <i>Bomber Flying Hrs/Crew/Month</i>		15.3		14.5		-0.8
<b>Additional Readiness Support</b>	27.6	n/a	30.4	n/a	+2.8	n/a
<b>Total</b>	<b>49.4</b>	<b>n/a</b>	<b>55.1</b>	<b>n/a</b>	<b>+5.7</b>	<b>n/a</b>

<sup>1</sup>Excludes GWOT; <sup>2</sup>Army readiness metrics reflect tank miles only, where as Army readiness funding includes funding for both tank miles and air support  
Source: Departments of the Army, Navy, and Air Force      Numbers may not add due to rounding

miles and support flying hours, provide more robust full spectrum training, and accommodate force mix changes to maintain readiness status for Soldiers in the training cycle;

- An increase of \$0.7 billion for the Navy to support the Fleet Response Plan, fund 45 days underway per quarter for deployed ships, support a net increase of three ships, and continue to increase additional force capability through a new Naval Expeditionary Combat Command;
- An increase of \$0.2 billion for the Marine Corps to provide full spectrum training and capability to maintain readiness status for Marines in the training cycle;
- An increase of \$0.9 billion for the Air Force because of changes in aircraft mix, decreasing crew flight hours per month while increasing flight simulation use, and changes in live fire training programs and consumption rates. Flying hours are fully funded; and
- An increase of \$2.8 billion for readiness support including necessary logistical support provided by the Defense Information Systems Agency, Defense Logistics Agency, Defense Contract Management Agency, and Defense Threat Reduction Agency; space, combat, and weapons support; Special Operations Command (SOCOM) and Joint Staff support; and lift and prepositioning support.

**Military Pay Raise (+\$2.7 billion):** In FY 2009, \$2.0 billion will provide for a pay raise for Service members equal to the Employment Cost Index (ECI) as of September 30, 2007. The ECI is based on the wages and salaries for private industry workers. This sets the FY 2009 pay raise at 3.4 percent.

Total funding for military pay raises in FY 2009 is \$2.7 billion, of which \$2.0 billion is due to the January 1, 2009 pay raise of 3.4 percent and \$0.7 billion is due to the annualization of the January 1, 2008 pay raise of 3.5 percent.

## DoD FY 2009 Budget Request Summary Justification

**Civilian Pay Raise** (+\$1.9 billion): In FY 2009, \$1.9 billion will provide for a 2.9 percent civilian pay raise, which equals ECI minus 0.5 percent. The FY 2008 pay raise was increased by Congress by 0.5 percent over the President's requested level of 3.0 percent to 3.5 percent.

**BRAC Implementation** (+\$1.9 billion): In FY 2009, \$1.9 billion will increase BRAC efforts above the FY 2008 level of \$7.5 billion. This includes funds to execute realignments and closures for the approved BRAC 2005 Commission recommendations and to satisfy utilizing land sales revenue. The Department has fully funded BRAC 2005 requirements throughout the six-year implementation period (FY 2006 through FY 2011) consistent with detailed business plans developed by the assigned business plan managers. The Department anticipates recurring savings of about \$4.0 billion annually after full implementation in FY 2011.

**Basic Allowances for Housing and Subsistence** (+\$1.6 billion): In FY 2009, \$1.6 billion will provide for a 5.0 percent increase (\$1.2 billion) in the Basic Allowance for Housing (BAH) and a 3.8 percent increase (\$0.4 billion) in the Basic Allowance for Subsistence (BAS), which are tax-free, cash allowances that compensate military personnel for housing costs and daily meals. The increase reflects inflation and maintains entitlement programs at current standards.

**Facility Sustainment** (+\$0.6 billion): In FY 2009, an additional \$0.6 billion of facilities sustainment funding will provide for the maintenance and repair activities necessary to keep the Department's facilities in good working order (e.g., regularly scheduled maintenance, major repairs, replacement of facility components). Funding at this level achieves 90 percent of the Facilities Sustainment Requirement for the Department, which is the minimum acceptable level; full sustainment continues to be

A Navy F/A-18C Hornet aircraft is a blur as it rushes past a flight deck crewmember while catapulting from the flight deck of the aircraft carrier USS Harry S. Truman (CVN 75) during operations in the Persian Gulf .

*DoD photo by Petty Officer 3rd Class Ricardo J. Reyes – January 2008*



the goal. Anything less than this will result in continued deterioration and degradation of existing facilities and will not provide for a maximum return on investment in new facilities.

**Strategic Modernization** (+\$8.3 billion): In FY 2009, an additional \$8.3 billion will provide a wide range of modernization (including procurement and research and development) efforts across the full spectrum of warfighting capabilities. Some of the top programs include:

## DoD FY 2009 Budget Request Summary Justification

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- **Space Based Infrared System (SBIRS)** (+\$1.3 billion): The FY 2009 request includes \$2.3 billion, a \$1.3 billion increase over FY 2008 for SBIRS. SBIRS is a constellation of four satellites, two in Geosynchronous Earth Orbit (GEO) and two hosted payloads in Highly Elliptical Orbit (HEO). This system will enhance collection of data and reporting of ballistic missile launches around the globe. SBIRS will replace the legacy Defense Support Program (DSP). The initial launch of SBIRS is planned for the first quarter of FY 2010. FY 2009 funding continues the assembly, integration, and testing of the first two GEO satellites, operational testing of the first HEO payload, and development of the ground segment.
- **Virginia Class Submarines** (+\$0.2 billion): The FY 2009 request for the Virginia Class Submarine program is \$3.6 billion, a \$0.2 billion increase over FY 2008. One new Virginia Class submarine is scheduled in FY 2009, and the Department has budgeted to commence a two per year build rate in future years. These submarines seek and destroy enemy ships across a wide spectrum of scenarios, working independently and in consort with a battle group and other ships, providing joint commanders with early, accurate knowledge of the battlefield. The Navy plans to procure 30 boats through FY 2019 to replace Los Angeles SSN as they reach the end of service life.
- **CVN 21 Carrier Replacement** (+\$0.8 billion): The FY 2009 request for the CVN 21 is \$4.2 billion, an increase of \$0.8 billion over FY 2008. Aircraft carriers provide credible, sustainable, independent forward presence during peacetime without access to land bases. They operate as the cornerstone of a joint and/or allied maritime expeditionary force in response to crisis and carry the war to the enemy through joint multi-mission offensive operations. Like its predecessor, the Nimitz class, CVN 21 will carry approximately 90 aircraft. However, due to automation, it will require fewer sailors to operate.
- **Littoral Combat Ship (LCS)** (+\$0.6 billion): The FY 2009 request for the LCS is \$1.3 billion, a \$0.6 billion increase over FY 2008. LCS will be a fast, agile, stealthy surface combatant capable of operating in support of anti-access missions against asymmetric threats in the littorals or near-coast line areas. It will be able to engage small attack boats and provide mines countermeasures and littoral anti-submarine warfare.
- **New Tanker Program** (+\$0.8 billion): The FY 2009 request for the New Tanker program is \$0.9 billion, a \$0.8 billion increase over FY 2008. The New Tanker program begins replacement of the KC-135 aerial refueling fleet, which has an average age of 47 years old. The Department will procure 179 new tankers to replace roughly one-third of the current tanker fleet. The New Tanker will be able to provide fuel to joint and coalition receivers via a boom or drogue system on every mission and will augment the airlift fleet with cargo, passenger, and medical evacuation capabilities.
- **VH-71 Presidential Helicopter** (+\$0.8 billion): The FY 2009 request for the VH-71 Presidential Helicopter is \$1.0 billion, a \$0.8 billion increase over FY 2008. The program includes a fleet of 28 aircraft by 2019. This helicopter will replace the current Presidential Helicopter fleet and provides safe and timely transportation for the President. It will enable the President to execute the duties of office while in transit by providing a wide range of communications systems. It will be capable of operating in adverse climatic and environmental conditions and provide unique survivability capabilities. It will incorporate executive accommodations, such as dignified entry and exit.

FY 2009 budget requests for major weapons systems are included later in this volume.

## DoD FY 2009 Budget Request Summary Justification

### BUDGET SAVINGS FOR FY 2009

**Aircraft Retirements** (-\$0.5 billion): In FY 2009, the Department plans to retire 357 aircraft, with a total cost avoidance of \$0.5 billion.

- The Air Force proposes retiring 182 aircraft, which will generate an estimated FY 2009 savings/cost avoidance of \$0.4 billion. The retirements include a number of legacy platforms and will permit the Air Force to continue recapitalization and transformation of its air, space, and cyberspace capabilities.
- The Army and Navy propose retiring 135 and 40 aircraft, respectively. Both Department's will replace them with more modern airframes. Approximately \$0.1 billion in savings will be re-applied to the newer aircraft operation and support costs.

**Healthcare Fees** (-\$1.2 billion): The budget includes \$41.6 billion to provide high quality healthcare to 9.2 million eligible beneficiaries. To sustain this program, the budget proposes adoption of the recommendations made by the Task Force on the Future of Military Health Care in December 2007, including higher co-pays for beneficiaries' prescriptions and enrollment fees and deductibles.

The Department's healthcare costs more than doubled from \$19 billion to \$42.8 billion between FY 2001 and FY 2009 and are projected to reach \$64 billion by FY 2015 if no changes are made. This growth would mean that the percentage of the Department's budget devoted to healthcare will grow from 6 percent in 2001 to 11.3 percent by FY 2015.

Although active duty military members receive benefits, most costs for military healthcare are driven by military retirees and their beneficiaries. It is projected that, by FY 2011, up to 65 percent of spending will go toward retirees (including Medicare eligible retirees), up from 45 percent in FY 2001. Cost



U.S. Army Spc. Megan M. McKinzie, a crew chief with the 45th Medical Company (Air Ambulance), straps her helmet on in preparation for a run up on a UH-60A Black Hawk helicopter before a mission being flown from Al Asad Air Base, Iraq. Run ups are done to ensure that all equipment and the helicopter itself are properly working before conducting missions.

U.S. Marine Corps photo by Sgt. Maryalice Leone – May 2007



## DoD FY 2009 Budget Request Summary Justification

sharing, through fees, is a component of the Department's effort to decrease the pressure of military healthcare spending on the overall budget. This issue will remain a challenge over the next several years and the Department continues to seek legislative relief to sustain the healthcare benefit.

### PROGRAM TERMINATIONS FOR FY 2009

The FY 2009 budget does not propose any major program terminations.

### SUMMARY

The Department's FY 2009 budget request:

- Maintains a highly trained fighting force of 2.2 million Soldiers, Sailors, Marines, and Airmen;
- Recruits, trains, and equips 65,000 additional active duty Soldiers and 27,000 additional Marines over five years;
- Provides pay increases of 3.4 percent for military members, improves benefits for the all-volunteer force, and provides pay increases of 2.9 percent for the civilian workforce;
- Provides world-class healthcare for 9.2 million eligible Service members, families, and retirees;
- Procures and maintains an arsenal of the world's most advanced weapon systems;
- Improves warfighting capabilities and invests in science and technology to maintain U.S. advantage over the Nation's enemies;
- Maintains 545,000 facilities at 5,300 sites in the U.S. and around the globe; and
- Maintains vital intelligence capabilities.



These funds will advance the President's priorities, maintain a robust national defense, and position the U.S. to succeed against the challenges of today and prepare for the challenges of tomorrow.